



CALPEEK

CALIFORNIA POLITICAL WEEK

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IS A SHOWDOWN POSSIBLE BETWEEN SIMON AND PARSKY? SOURCES SAY TENSIONS ARE GROWING.

Editor's note: Thanks to *Parskywatch*, most *Calpeek* readers are familiar with the on-going feud between CRP Chair Shawn Steel and CRP operations cmt. member and President George Bush's go-to guy in Calif. Gerald Parsky. But now tensions are beginning to escalate between Parsky and GOP gubernatorial candidate Bill Simon Jr. Here's our analysis and commentary...

...It's no secret Parsky and Simon have had differences in the past (a bitter business split between Simon's late father and Parsky), but both have said past problems have been settled. Don't you believe it! Both men have *political alzheimer's* - they've forgotten everything but the grudge...

...The newest source of tension between these two centers on Pres. Bush. One doesn't need to be a rocket scientist to know that Simon has taken his lumps in the past few weeks over the *Pacific Coin* \$78 million fraud verdict against his firm. But what may not be generally known is that some GOPers in Calif. have been urging the Bush White House to *cut their ties with Simon's campaign*. This was reported in the Aug. 9th issue of the *Washington Times*. The same source is quoted in the article as saying, "This is one time when the president has to put aside the famous Bush loyalty and do what is best for himself."...

...*Calpeek* sources are fairly certain this "pull the plug" on Simon statement in the *Washington Times* story came from someone linked to Parsky. *Calpeek* sources are not saying the statement came from Parsky himself. The big question is whether Simon believes this "pull the plug" statement came from a Parsky source? It certainly could have come from a non-Parsky source. But if Simon sees linkage, will he attempt to settle the score with Parsky at the Calif. Republican Party's Sept. 27-29 convention in Garden Grove? Our sources are not clear on what might happen, but suggest that Simon isn't a happy camper. If Simon did go public, it could result in a massive political donnybrook...

...Sources say there is also tension between the White House

and the Simon campaign over Simon's failure to give *Team Bush* a heads up on the *Pacific Coin* lawsuit. Simon's team says they did give notice, but *Calpeek* sources say there were very few on the "need to know list" about the *Pacific Coin* case. Adding more fuel to the fire, *The Washington Prowler* (8/6/02) stated that "it was Parsky's staff that was telling Calif. political reporters that Simon hadn't informed the White House about the potential court ruling." That quote doesn't seem right - perhaps the *Prowler* meant a Parsky source - not Parsky staff...

...How bad are relations between the White House and the Simon campaign? A week ago VP Dick Cheney was in Calif. campaigning in the same geographic area as Simon, but Cheney didn't even mention Simon by name - let alone meet with the GOP candidate. Stay turned...

CALPEEK'S VACATION SCHEDULE

Calpeek will be on vacation the last week of August and the first week of September (Labor Day week). We'll return to work on Sept. 9th with issue #33. Next week you'll get issue #32 (dated Aug. 26th) - **Calpeek's Fall Election Guide**. You have our permission to reprint the Guide and send it to your clients and associates...

CAMPAIGN 2002: SIMON'S MELTDOWN IS SHOWING UP IN DEMO POLLING DATA. HOW LOW CAN HE GO?

Editor's note: There are at least two new polls making the rounds in Calif. and neither of them spell good news for GOP gubernatorial candidate Bill Simon Jr. Here's our update & analysis...

...The numbers in Sacto-based Jim Moore's poll (taken for Assembly Democrats) shows Gov. Gray Davis with a **17-point lead** over Simon: 47% to 30%. A Moore poll in early July showed Davis and Simon locked in a dead heat: Davis 41% vs. Simon 40%. Moore's sample was 500 likely voters and sources say it was taken 8/5 to 8/12...

...Moore is quoted in the Aug. 14th Matier & Ross column as saying, "The guy (Simon) has hit bottom. I don't know how he can come back from it." *Calpeek* Demo sources

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agree, but GOP sources want to wait until at least Labor Day to see if the situation improves. Some Demo sources don't think Simon will break 30% on Nov. 5th. Our best guess at this point is that Simon breaks 35-36%, but no higher unless there's a dramatic improvement in his lack-luster campaign. Simon did cut his staff – finally...

...But other problems remain: 1) an unfocused campaign; 2) limp fundraising; 3) failure of Simon to vote in past elections; 4) the inept handling of his income tax returns; 5) the Western Federal S&L mess [Simon has been called to testify Oct. 16th in DC on this case]; and 6) the *Pacific Coin* \$78 million fraud verdict against Simon's firm. This last point is perhaps the most damaging of all because it hits at the heart of Simon's campaign: that he's a successful businessman who can manage better than Davis...

... Sources say Moore also polled Simon vs. Davis in San Diego's 78th AD – 8/5 to 8/11, 400 likely voters. In this particular AD Davis led Simon by a 47% vs. 36% margin, with 11% for others and 6% undecided. Moore also polled on Pres. George W. Bush. Bush favorable 38% vs. unfavorable 42%. And Moore did a match between W and Bill Clinton. Bush won by 6 points: 50% to 44%. Again, this survey was done for Assembly Demos...

... While the statewide Moore poll shows a rather large gap, another survey taken by a Demo pollster for a Calif. association shows a closer vote: Davis 38% vs. Simon 31%. The sample here was 800 likely voters, but it came out of the field on Aug. 6th – so it's somewhat older than Moore's data...

... Do these new numbers mean that Davis can relax? Absolutely NOT. The one thing which keeps Simon in the proverbial ballgame is that voters don't especially like Gov. Davis. And Davis has to be careful not to anger the Demo base. This is perhaps why he's having so much trouble closing this year's \$23.6 billion budget deficit. GOPers in the Assembly want more spending cuts, but Davis wants to avoid more cuts until next year when some sources say he will be forced to make massive, across-the-board cuts of **15-20%**. That WILL anger the Demo base, but Davis will have been reelected and can take the heat. Not so this year. Stay tuned...

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CALIF. INITIATIVE UPDATE: FOLLOW THE MONEY.

Editor's note: There are 7 Statewide ballot propositions facing voters Nov. 5th. Here's the financial info from the most current campaign contributions reports filed with the CA Secretary of State's office. This current report is from 2/17/02 to 6/30/02, *Calpeek* will present this info in chart form: total contributions raised to date; total expenditures to date; and cash-on-hand(COH)...

◆ **Prop. 46 – Housing & Emergency Shelter Trust Fund Act of 2002.** Committee in support: Coalition for Emergency Shelter & Affordable Housing.

<u>Total Contrib.</u>	<u>Total Expend.</u>	<u>COH</u>
\$2,481.00	\$49,000	\$2,481.00

◆ **Prop. 47 – Kindergarten – University Public Education Facilities Bond Act of 2002.** There are 4 committees listed in support of Prop. 47.

Fund for Better Schools		
<u>Total Contrib.</u>	<u>Total Exp.</u>	<u>COH</u>
\$100,000	\$605	\$99,390
Comm. College Facility Coalit. YES on 47		
\$25,100	\$667	\$129,468
Californians for Higher Educ. – Yes on 47		
\$221,186	\$8498	\$496,110
Coalition for Adequate School Housing		
\$260,535	\$60,074	\$221,400

...FYI: There is no formal opposition at this time.

◆ **Prop. 48 – Court Consolidation.** There are no formal support or opposition committees for this ballot measure...

◆ **Prop. 49 – After School Program. State Grants.**
Initiative Statute. Committee in support: Citizens for
 After School Programs, YES on Prop. 49.

<u>Total Contrib.</u>	<u>Total Expend.</u>	<u>COH</u>
\$3,375,852	\$3,658,442	\$1,428,646

◆ **Prop. 50 – Water Quality, Supply and Safe Drinking Water Projects. Initiative Statute.** Committee in support: YES on 50 – Californians for Safe, Clean Water.

<u>Total Contrib.</u>	<u>Total Expend.</u>	<u>COH</u>
\$1,280,000	\$1,587,237	\$4,680

* The YES on 50 committee lists debts of \$311.816.

...FYI: There is an opposition committee called Californians for Fiscal Restraint, but they did not file a report with the CA Secretary of State...

◆ **Prop. 51 – Transportation. Allocation of Sales and Use Taxes Raised from Sale or Lease of Motor Vehicles. Initiative Statute.** Committee in support: Traffic Congestion Relief and Safe School Bus Cmt., sponsored by the Planning & Conservation League.

<u>Total Contrib.</u>	<u>Total Expend.</u>	<u>COH</u>
\$2,181,819	\$2,050,782	\$159,316

* This YES on 51 committee lists debts of \$168,149.

◆ **Prop. 52 – Election Day Voter Registration. Initiative Statute.** Committee in support: YES on 52, Californians for Election Day Voter Registration.

<u>Total Contrib.</u>	<u>Total Expend.</u>	<u>COH</u>
\$1,130,001	\$1,741,841	\$201,792

* The YES on 52 committee lists debts of \$193,133.

...FYI: There is a formal opposition committee known as Citizens & Law Enforcement Against Election Fraud, but they did not file a report with the CA Secretary of State. Stay tuned...

CAMPAIGN 2002: 140 CANDIDATES FILE FOR MAYOR AND COUNCIL IN SAN FERNANDO AND HOLLYWOOD.

Editor's note: Of the 140 individuals who filed for either San Fernando or Hollywood city council, only a handful have any kind of name recognition. These no-name candidates will appear on the Nov. 5th ballot, along with the key question of secession. Here's our update & analysis...

...The big question: why so few well-known candidates? There are several reasons: 1) The whole exercise in electing members to the council is meaningless IF secession is rejected – and at this point most Calpeek sources firmly believe cityhood for the SFV and Hollywood is a very remote proposition, especially in Hollywood. And remember: secession proponents must not only win in the SFV and Hollywood, but in the entire City of L.A. Reason #2: DPSFV – Democratic Party of the San Fernando Valley, is opposed to secession and thus they will NOT endorse council candidates either. Secession leader and former Demo Assemblyman Richard Katz has blasted DPSFV's stand, saying it's undemocratic...

...Reason #3: organized labor is opposed to secession and thus it too has decided not to endorse or support some of the candidates who are running for office. And in fact it was pressure from organized labor, more than anything

else, which kept State Sen. Richard Alarcon(D) from running for SFV mayor. Reason #4: the SFV council and mayor are only part time jobs, paying only \$12,000 per year. This is absolutely ridiculous for the proposed 6th largest city in the U.S. The current 6th largest city in the U.S. is San Diego and in that city Mayor Dick Murphy is full time and gets a salary of \$95,680. The council is also full time and they make \$71,796 per year...

...Of the 12 candidates running for SFV mayor, only current GOP Assemblyman Keith Richman and businessman/realtor Mel Wilson have any kind of name ID. L.A. city hall gadfly Leonard Shapiro has some limited name ID. The rest of the field are unknowns. Of the 108 candidates running for council in the SFV, the best known is former Assemblywoman Paula Boland(R), running in the 3rd District. In the 11th District, James "Jamie" Cordaro has some residual name ID because he finished 3rd in the special election to fill Joel Wachs' council seat in L.A.'s 2nd District. In the 13th District, Richard Leyner is a well known business leader and former UCC president. Also running in the 13th is Stefan "Watchdog" Stitch. If his name is familiar it's because he ran for Insurance Commissioner as a GOPer back in March. In the 14th District there's Scott Svonkin, COS to Assemblyman Paul Koretz. Although he doesn't have strong name ID yet, he's got a good sized war chest. Also on the ballot in the 14th is John Ferraro III – good name ID, but he's not related to the late L.A. councilman...

...In Hollywood, of the 20 people running for council, the best known name might be Hollywood secession leader Gene La Pietra. On the other hand, some think actress and busty billboard personality Angelyne might be known by more people. The big question: when will Jay Leno mention Angelyn or have her on his show? Stay tuned...

CAMPAIGN 2002: COUNTY/CITY BALLOT MEASURES.

Editor's note: Here is **Part III** in our continuing series of updates & reports about *local ballot measures*...

☒ **Bond for Hetch Hetchy – Measure A** on the Nov. 5th San Francisco county/city ballot will be a \$1.6 billion bond to repair S.F.'s main supply of fresh water – the Hetch Hetchy reservoir and hydro-electric dam. This structure which supplies both water and power to 2.3 million customers was built in the first part of the 20th century and parts of the system are 80 years old. The city is the owner of this facility and it brings in about \$100 million (in good years) in revenue. In addition to S.F., Hetch Hetchy also supplies water and power to the suburbs in San Mateo Co. Total cost of the repair is about \$4.6 billion – and the suburban

users will pick up about \$3 billion of the total cost. There is no vote required in San Mateo Co. and the other cities south of S.F. Only in S.F. The bonds will be paid off by residential users in S.F. and thus there is some opposition from tenant and landlord groups. But Measure A has already received some solid backing: S.F. Chamber of Commerce, S.F. Mayor Willie Brown and S.F. Board of Supes Chair Tom Ammiano. Eric Jaye (Storefront Political Media) is the lead consultant, with Jennifer Weber as daily mgr., Jim Mathis as political director and polling will be done by Paul Goodwin's firm. Sources say the YES on A side has a budget about \$1 million...

☒ **HOPE – in S.F.** – HOPE stands for Homeownership Program for Everyone. Homeownership in S.F. stands at only 34% vs. 59% in San Diego and 63% in Seattle. This proposal, Measure R, would allow renters to buy their apartments IF the landlords agreed and if 25% of the apartment residents gave their OK as well. Tenants who didn't wish to buy their units would get to stay – no evictions. S.F. Co. Supes Tony Hall, Leland Yee and Gavin Newsom are in support, as is the S.F. Chamber and a group known as Tenants for Homeownership. The YES on R campaign will be handled by Barnes, Mosher, Whitehurst, Lauter & Partners. Stay tuned...

DOG DAYS OF SUMMER: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **Freeman Confirmed as Energy Czar** – The vote to confirm 76-year-old public power advocate David Freeman as the first Calif. Power Authority chair was 25-13 – with NO GOP votes for the former LADWP Director. The key vote was that of State Sen. Joe Dunn (D-Orange Co.), who is heading up a probe into energy price manipulation by various power companies. Dunn voted for Freeman after reading and re-reading Freeman's deposition where he said he had no knowledge of Enron-styled tactics by the LADWP during the State's energy crisis of 2000-01. FYI: there are at least \$180 million in outstanding bills from the LADWP to the State which have **not** been paid. Thus it is very difficult to be overcharged or gouged when you have NOT paid the money which is owed. Of that \$180 million billed, there is a dispute on how much is really owed. Freeman says if there were overcharges, the State should NOT pay....

■ **ADA Stays with Cameo Over Davis** – Disregarding the advise of Demos such as Assemblywoman Jackie Goldberg, the very liberal Americans for Democratic Action – So. Calif. Chpt. – has reconfirmed its endorsement of Green Party gubernatorial candidate Peter Camejo over

Demo Gov. Gray Davis. But the ADA did go OPEN in the Lt. Governor's race – in the primary ADA endorsed Green Party candidate Donna Warren. This is a win for incumbent LG Cruz Bustamante (D). NOT getting an ADA endorsement: Demo U.S. Reps. Brad Sherman, Jane Harman, Howard Berman and Adam Schiff. Guess what they have in common? If you said they were *hawks on foreign policy* and big supporters of Israel, you win the prize and that seems to be why these 4 U.S. House members were not endorsed by the ADA...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Aug. 26-Sept. 9	Calpeek on vacataion.
Aug. 31	Final day of CA Legislative session for 2002
Sept. 20-22	CA Political Attorneys Assn. annual retreat, Marina Beach Marriott, Marina del Rey.
Sept. 27-29	CRP State Convention, Hyatt Hotel, Garden Grove, CA.
Sept. 30	Last day for Governor to sign bills.
Oct. 21	Last day to register for November election.
Nov. 1	VICA's 14 th annual Business Forecast Conf. 7:30 a.m. Warner Center Marriott Hotel.
Nov. 5	Calif. General Election.

CALPEEK's NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● A very sad note: Robert Barnes, 42, one of S.F.'s top campaign consultants, died Aug. 9th after a 7 week battle with Guillain-Barre syndrome – similar to MS. Clients included S.F. Mayor Willie Brown, Assemblywoman Carole Migden, S.F. City Atty. Dennis Herrera and most recently S.F. Co. Sup. Mark Leno. Barnes had his own firm, but in 2000 formed a partnership with John Whitehurst, Mark Mosher and Sam Lauter – BMWL & Partners. He was a 5th generation San Franciscan and is credited with electing more gays and lesbians to office than any other consultant in the U.S. Robert was a friend and good source of info for **Calpeek**. He'll be missed by his many friends. A memorial service will be held at 6 p.m., Aug. 26th at S.F. City Hall. R.I.P...

● Darryl R. Wold, formerly chair and member of the FEC, is now back in L.A. and has returned to the Reed & Davidson law firm as Of Counsel...

● The polling firm of Evans McDonough has moved to new offices at 436 14th Street, Ste. 820, Oakland, CA 94612. New phone is (510)844-0680...

● San Diego-based Southwest Strategies LLC has hired Meredith Dowling as an Acct. Supervisor...